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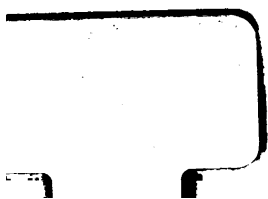
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America

**The Company for Lawyers**

# **The Corporation Trust Company**

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## **DIRECTORS**

**Oakleigh Thorne**

**William H. Chesebrough**

**George R. Sheldon**

**Charles E. Mitchell**

**Kenneth K. McLaren**

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## **OFFICERS**

**Kenneth K. McLaren, President**

**George R. Sheldon, Vice-President**

**Raymond Newman, General Manager**

**Horace S. Gould, Secretary**

**B. Stafford Mantz, Treasurer**

**Thomas F. Barrett, Manager, Legislative Department**

**George C. Holton, Attorney**

**Frank W. Black, Auditor**

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**Chicago Secretary**

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**Portland Secretary**

**William J. Maloney**

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**Carroll C. Robertson**

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**Jersey City Secretary**

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**Philadelphia Secretary**

**Warren N. Akers**

**Washington Secretary**

**Norman J. MacGaffin**

**Boston Secretary**

**Joseph C. Cannon**

**St. Louis Secretary**

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## **SYSTEM**

**37 Wall Street, New York**

**511 Exchange Building, Boston**

**(Corporation Registration Co.)**

**281 St. John Street, Portland, Me.**

**486 Du Pont Bldg., Wilmington, Del.**

**(Corporation Trust Co. of America)**

**1202 Oliver Building, Pittsburgh**

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**1428 Land Title Bldg., Philadelphia**

**1024 Federal Reserve Bank Bldg.,  
St. Louis**

**501 Colorado Bldg., Washington, D. C.**

**304 Market Street, Camden, N. J.**

**158 State Street, Albany**

*Corporation Trust Company*

# BUSINESS CORPORATIONS

UNDER THE LAWS OF

M A I N E

C#

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## Shares with or without Par Value

(In effect July 6, 1917)

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*SIXTH EDITION*

*Revised to include 1917 Legislative  
Changes*

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by

**The Corporation Trust Company of Maine**

PORTLAND, MAINE

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## FOREWORD

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Maine has long been a favorable state in which to incorporate. Under its corporation law, many large companies have been organized and the attitude of the state towards corporations has been fair and just. Unlike many other states, the advantageous features of its law have not been offset by radical legislative changes.

The state fees on organization and annual taxes are extremely low as compared with most other states, broad powers may be obtained and organization procedure is not complicated and may be gone through expeditiously (Attorneys who use The Corporation Trust Company facilities—see p. 20—are able to complete an organization within twenty-four hours after the papers reach Portland). These features coupled with the practicability and stability of its corporation law have made Maine a favorite state.

In line with its policy of keeping abreast with modern thought, the Legislature of the state has enacted a law, taking effect July 6, 1917, providing for shares without any nominal or par value, closely following the New York law on the same subject.

The first act, passed in New York in 1912, was hailed as an important departure. It is recognized that to give the share of stock an arbitrary nominal par value is not only useless but misleading since a share of common stock represents neither more nor less than a certain aliquot part of the net value of the enterprise over and above all debts and stock preferences. Removing the par value from stock obviates all danger of stockholders' liability and permits the issuance of stock for considerations which, although recognized as valid and proper, have in the past been involved in complicated legal doubts and questions. Here-

tofore in issuing stock for patents, patent rights, contracts, mines, services or for other considerations, the absolute value of which could not be determined with any degree of finality, the board of directors have been required by law to assume the responsibility of placing a value thereon equal to the par value of the stock and the vendor of the property has assumed a liability to creditors for any amount by which the par value of the stock might be in excess of the value of the property. Under the new Maine law, where shares without par value are used, the transaction becomes a simple one of sale and exchange. The corporation agrees with the vendor to issue a certain number of shares in exchange for certain consideration and when that is paid the question of stockholders' liability is wholly eliminated. Credit is extended to such corporations not in reliance upon an arbitrary valuation of stock but upon the sounder and more substantial basis of actual assets.

The share of stock without par value finds its natural price level as does any other species of property and the purchaser or holder is not deceived by any false or fictitious face value of his certificate. With the dollar mark removed, the representation to the stockholders and to the public is only that the amount of capital stated in its certificate as the amount of capital with which it will carry on business, has been paid in and that the share represents only an aliquot part of the capital of the corporation, whatever it is—a proportionate interest in its assets and earnings.

Maine in providing for the organization of corporations having stock without any nominal or par value offers a clear and progressive statute governing the formation and conduct of business corporations.



## ADVANTAGES:

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Briefly stated, the advantages of incorporating under the General Corporation Law of Maine are:

A corporation may be formed to carry on any lawful business (local railways, banks, etc., excepted) anywhere, and broad powers may be obtained (see p. 10).

Amount of authorized capital stock is not limited—it cannot be less than \$1,000 (see p. 10).

Bonds may be issued in any amount (see p. 15).

Cost for state fees on organization and annual franchise or state tax is low (see p. 7).

Corporations not transacting business may be excused from annual report and franchise tax (see p. 7).

No state tax on issue of stocks, bonds or other securities.

Shares with or without par value or both may be provided for (see p. 10).

Shares with par value may be issued for cash, property or services rendered. In the absence of actual fraud judgment of directors as to value of property or services rendered taken in payment for stock is conclusive and stock so issued is full paid and not liable to any further call or payment thereon (see p. 14).

Shares without par value if provided for may be issued for such consideration as may be prescribed in the certificate of incorporation or as may be fixed by the directors pursuant to authority conferred in such certificate or if such certificate shall not so provide, then by the consent of the holders of  $\frac{2}{3}$  of each class of shares then outstanding. Shares so issued are full paid

and non-assessable, and the holder thereof is not liable to the corporation or to its creditors in respect thereof (see p. 11).

Two or more classes of stock may be created (see p. 10).

Voting rights may be restricted (see p. 10).

Dividends on preferred stock may be cumulative or non-cumulative and may be fixed at any amount (see p. 10).

None of the directors need be a resident of the state (see p. 16).

Directors' meetings may be held outside of the state (see p. 16).

Directors may be divided into classes and may be elected for a longer term than one year if the by-laws so provide (see p. 16).

Specific authority is given to hold stocks, bonds and securities of other corporations (see p. 15).

There is no limitation upon the power to hold real and personal property (see p. 15).

But one very simple report is required each year and it does not disclose the financial affairs of the corporation (see p. 18).

The law is practical, liberal and stable. Its features have been studied and approved by leading corporation lawyers all over the country. No serious changes unfavorable to corporations have been made in many years.

Procedure for organization is not complicated and may be handled quickly. (Attorneys who use The Corporation Trust Company facilities—see p. 20—are able to complete an organization within 24 hours after the papers reach Portland.)

## THE COST.

### For Initial Fees.

The fees payable to the state and county officers at time of organization are as follows:

|                                                                                  |        |
|----------------------------------------------------------------------------------|--------|
| Attorney General .....                                                           | \$5.00 |
| Secretary of State:—                                                             |        |
| Filing copy of charter .....                                                     | 5.00   |
| Certified copy of charter .....                                                  | 5.00   |
| Register of Deeds .....                                                          | 5.00   |
| Filing appointment of clerk .....                                                | .25    |
| State Treasurer:—                                                                |        |
| If authorized capital stock does not exceed \$10,000 .....                       | 10.00  |
| If authorized capital stock exceeds \$10,000 but does not exceed \$500,000 ..... | 50.00  |
| If authorized capital stock exceeds \$500,000, for each \$100,000 .....          | 10.00  |

*(If shares have no par value, they are regarded as having a par value of \$100 each, for purpose of determining amount of this fee.)*

### For Annual Franchise Tax.

This tax is assessed on or before July 1st, in accordance with a return required to be filed on June 1st and is payable on September 1st of each year. It is based upon the amount of the authorized capital stock (for this purpose shares without par value are figured as having a par value of \$100 each), at the following rates:

|                                                            |            |        |
|------------------------------------------------------------|------------|--------|
| If authorized capital stock does not exceed                | \$50,000—  | \$5.00 |
| “ “ “ “ “ “ “                                              | 200,000—   | 10.00  |
| “ “ “ “ “ “ “                                              | 500,000—   | 50.00  |
| “ “ “ “ “ “ “                                              | 1,000,000— | 75.00  |
| Each \$1,000,000 or part thereof in excess of \$1,000,000— |            | 50.00  |

Any corporation that has ceased to do business may obtain from the Attorney General a certificate showing that fact and upon filing the same with the Secretary of State it is excused from making the annual return, upon which the above tax is based, with the effect that the company is not subject to this tax until such time as it resumes business.

## **PROCEDURE FOR INCORPORATION.**

The first step in the organization of a corporation under the General Corporation Law is the preparation and signing of

### **Articles of Agreement**

providing for the organization of the corporation, setting forth the purposes (see p. 10 for purposes permitted) and fixing the location of its principal office. The agreement should be signed by three or more persons, usually called associates. The statute does not specify any particular qualifications for the associates as to citizenship, residence or otherwise. It is preferable, however, that they be residents of Maine, because they must be present in person at organization meetings held within the state.

The second step is the holding of a

### **Meeting of Associates.**

This meeting must be held within the state and the Associates must attend in person. It may be called by any of the Associates by fourteen days' personal or published notice, but such notice may be waived, and in general practice is waived, by provision to that effect in the Articles of Agreement. At the meeting the Associates organize into a corporation, adopt a corporate name, define the purposes of the corporation, fix the amount of the capital stock—not less than One Thousand Dollars (\$1,000)—and divide it into shares, or if the stock is to be without any nominal or par value, fix the number of such shares and the amount of capital with which the corporation will carry on business (see p. 11) and elect not less than three (3) directors, a president, a treasurer, a clerk and any other necessary officers and may adopt a code of by-laws.

The third step is the preparation and execution of a

### **Certificate of Organization.**

#### **Contents.**

This certificate should set forth the following:

FIRST.—The name, which may be in English or a foreign language. Any name other than one containing the words "bank," "savings," "savings bank," "savings department," "trust," "trust company," "banking," "trust and banking

company" or "insurance" may be used, provided that it does not conflict with that of an existing corporation.

**SECOND.**—The purposes of the corporation (see p. 10, for purposes permitted) which should be identical with those set forth in the articles of association.

**THIRD.**—The amount of capital stock and the par value, and number of the shares; also a statement of the amount paid in on the capital stock (nothing need be paid in) and the names and residences of the owners. (If the shares, or any of them, are to be without any nominal or par value, in lieu of the foregoing statements as to the amount of capital stock, the number of shares into which the same is divided and the par value of such shares, the matters set forth on p. 11 should be stated.)

**FOURTH.**—The name of the county in which its principal office shall be located.

**FIFTH.**—The number and names of the directors, the names and addresses of the president and treasurer and the name and residence of the clerk.

### **Execution.**

The Certificate of Organization must be signed and sworn to by the president, treasurer and a majority of the directors of the corporation. It should be executed by persons who were actually present at the meeting in the State of Maine. The oath may be taken before a notary public or commissioner in Maine or any other state.

The final steps are:

### **Approval of Certificate by Attorney-General and Recording and Filing.**

The certificate of organization must then be submitted to the Attorney General to be certified by him to be properly drawn and signed and to be conformable to the constitution and laws and when so certified must be recorded in the Registry of Deeds for the county where the office of the corporation is located. The fees payable to the State Treasurer (see Schedule p. 7) must be paid, and his receipt therefor filed in the office of the Secretary of State. Then a copy of the certificate certified by the Register, together with the receipt of the State Treasurer for the fees, must be filed in the office of the Secretary of State within 60 days after the organization meeting of the associates.

When this has been done, the signers of the articles of agreement and their successors and assigns, become a body corporate and the corporation is ready to and may commence business, except that in the case of a corporation having shares without par value no business should be carried on until the amount of capital stated in the certificate of incorporation has been paid in (see Sec. 116, p. 12).

## **MISCELLANEOUS FEATURES OF THE LAW.**

### **PURPOSES.**

#### **In General.**

Corporations may be organized under the General Law to carry on any lawful business anywhere, including corporations for manufacturing, mechanical, mining or quarrying business and also corporations whose purpose is the carriage of passengers or freight, or both, upon the high seas, or from port or ports in Maine to a foreign port or ports or to a port or ports in other states, or the carriage of freight or passengers, or both, upon any waters where such corporations may navigate, and excepting corporations for banking, insurance, the construction and operation of railroads or aiding in the construction thereof, and the business of savings banks, trust companies, or corporations intended to derive profit from the loan or use of money, and safe deposit companies, including the renting of safes, in burglar proof and fire proof vaults; but corporations may also be formed under the General Law to exercise the following purposes in other states and jurisdictions, namely, the construction and operation of railroads or aiding in the construction thereof, telegraph or telephone companies, and gas or electrical companies.

#### **Capital Stock.**

Corporations may be formed having shares with or without par value, or both, and may create stock with such classes, designations, preferences and voting powers as are fixed and determined in the by-laws, or by vote of the stockholders at a meeting duly called for the purpose, except that in the case of corporations having shares without par value the preferences must be stated in the certificate of incorporation (see p. 11). There is no restriction or limitation as to the amount of authorized capital stock or par value of the shares of corporations having shares with par value, except that the amount of authorized capital stock cannot be less than \$1,000. Preferred stock may be made preferred as to principal or dividends, or

both, dividends thereon may be at any rate desired and may be made cumulative or non-cumulative, and such stock may be made subject to redemption.

### **Shares Without Par Value.**

The following are the provisions of the law enacted this year, in effect July 6, 1917 (Ch. 44, L. 1917), relative to the issue of stock without nominal or par value:

“Section 115. Upon the formation of any corporation other than a corporation for banking, insurance, or intended to derive profit from the loan or use of money, or a corporation under the jurisdiction of the Public Utilities Commission the certificate of incorporation may provide for the issuance of the shares of stock of such corporation, other than preferred stock having a preference as to principal, without any nominal or par value by stating in such certificate:

“(a) The number of shares that may be issued by the corporation, and if any of such shares be preferred stock, the preferences thereof. If such preferred stock or any part thereof shall have a preference as to principal, the certificate shall state the amount of such preferred stock having such preference, the particular character of such preferences, and the amount of each share thereof, which shall be five dollars or some multiple of five dollars, but not more than one hundred dollars.

“(b) The amount of capital with which the corporation will carry on business, which amount shall be not less than the amount of preferred stock, if any, authorized to be issued with a preference as to principal, and in addition thereto a sum equivalent to five dollars or to some multiple of five dollars for every share authorized to be issued other than such preferred stock; but in no event shall the amount of such capital be less than one thousand dollars.

“Such statements in the certificate shall be in lieu of any statements now or heretofore prescribed by law as to the amount of its capital stock or the number of shares into which the same shall be divided, or of the par value of such shares.

“Each share of such stock without nominal or par value shall be equal to every other share of such stock, subject to the preference given to the preferred stock, of any, authorized to be issued. Every certificate for such shares without nominal or par value shall have plainly written or printed upon its face the

number of such shares which it represents and the number of such shares which the corporation is authorized to issue, and no such certificate shall express any nominal or par value of such shares. The certificates for preferred shares having a preference as to principal shall state briefly the amount which the holders of each such preferred shares shall be entitled to receive on account of principal from the surplus assets of the corporation in preference to the holders of other shares, and shall state briefly any other rights or preferences given to the holders of such shares.

“Such corporation may issue and may sell its authorized shares, from time to time, for such consideration as may be prescribed in the certificate of incorporation, or as from time to time may be fixed by the board of directors pursuant to authority conferred in such certificate, or if such certificate shall not so provide, then by the consent of the holders of two-thirds of each class of shares then outstanding given at a meeting called for that purpose in such manner as shall be prescribed by the by-laws. Any and all shares issued as permitted by this section shall be deemed fully paid and non-assessable and the holder of such shares shall not be liable to the corporation or to its creditors in respect thereof.

“Section 116. No corporation formed pursuant to Section One Hundred and Fifteen hereof shall begin to carry on business or shall incur any debts until the amount of capital stated in its certificate of incorporation shall have been fully paid in money or in property taken at its actual value. In case the amount of capital stated in its certificate of incorporation shall be increased as hereinafter provided, such corporation shall not increase the amount of its indebtedness then existing until it shall have received in money or property the amount of such increase of its stated capital. The directors of the corporation assenting to the creation of any debt in violation of this section shall be liable jointly and severally for such debt; but no action shall be brought under the foregoing provision of this section unless within one year after the debt shall have been incurred the creditor shall have served upon the director written notice of intention to hold him personally liable for such debt. Any director who, because of any such liability under this section, shall pay any debt of the corporation, shall be subrogated to all rights of the creditor in respect thereof against the corporation and its property and also shall be entitled to contribution from all other directors of the corporation similarly liable for the same debt and the personal representative of any such director who shall have died before making such contribution.



"No such corporation shall declare any dividend which shall reduce the amount of its capital below the amount stated in the certificate as the amount of capital with which the corporation will carry on business. In case any such dividend shall be declared, the directors in whose administration the same shall have been declared, except those who may have caused their dissent therefrom to be entered upon the minutes of such directors at the time or who were not present when such action was taken, shall be liable jointly and severally to such corporation and to the creditors thereof to the full amount of any loss sustained by such corporation or by its creditors respectively by reason of such dividend."

"Section 117. Any corporation formed pursuant to section one hundred and fifteen may amend its certificate of incorporation so as to increase or to reduce the number of shares which it may issue, or so as to increase or to reduce the amount of its stated capital, by filing, in the secretary of state's office, a certificate of amendment under seal executed by its president or a vice-president and by its clerk or its treasurer, stating the amendment proposed and that the same has been duly authorized by a vote of a majority of the directors and also by the vote of the holders of at least three-fifths of the outstanding shares of each class issued by the corporation, at a meeting of the stockholders called for the purpose, and by filing with such certificate of amendment a copy of the proceedings of such meeting, made, signed, verified and acknowledged by the president or a vice-president and by the clerk or the treasurer of the corporation; but an amendment cannot be made under this section unless as so amended the certificate of incorporation could lawfully have been filed under section one hundred and fifteen of this chapter. In case of a reduction of the amount of capital of a corporation, a certificate setting forth the whole amount of the ascertained debts and liabilities of the corporation shall be made, signed, verified and acknowledged by the president or a vice-president and by the clerk or the treasurer of the corporation and shall be filed with the certificate of amendment; and such certificate of amendment shall have endorsed thereon the certificate of the attorney general that he has received satisfactory proof that as so stated the reduced amount of capital is sufficient for the proper purposes of the corporation and is in excess of its ascertained debts and liabilities."

"Section 118. For the purpose of any rule of law or of any statutory provision other than the foregoing sections one hundred and fifteen, one hundred and sixteen and one hundred and seventeen or of determining the amount to be paid to the treasurer of the state for the use of the state as provided in section

nine of this chapter, or of determining the amount of the annual franchise tax as provided in section eighteen of chapter nine of the revised statutes, but for no other purpose, shares without nominal or par value shall be assumed to be of the par value of one hundred dollars each."

"Section 119. In case the certificate of organization of a corporation formed pursuant to section one hundred and fifteen hereof shall provide for an issue of preferred stock and shall also provide that such stock may be called in and retired at any price stated in the provisions describing the preferences of such shares, such preferred stock shall not be thus called in or retired if thereby the property and assets of the corporation shall be reduced below the amount stated in the certificate of organization or fixed in accordance with the provisions of section one hundred and seventeen, as the capital with which the corporation will carry on business, nor shall such preferred stock be thus called in or retired if thereby the property and assets of the corporation shall be reduced below the amount of its outstanding debts and liabilities."

#### **Stock Carrying No Liability May Be Issued for Property or Services.**

(a) *Shares Having Par Value:* Any corporation may purchase property necessary for its business and issue stock to the amount of the value thereof in payment therefor, and may likewise issue stock for services rendered to such corporation and the stock so issued is full paid and not liable to any further call or payment thereon; and in the absence of actual fraud in the transaction the judgment of the directors as to the value of the property purchased or services rendered, is conclusive.

(b) *Shares Without Par Value:* Any corporation having shares without par value may issue and sell such shares from time to time for such consideration as may be prescribed in the certificate of incorporation, or as from time to time may be fixed by the board of directors pursuant to authority conferred in such certificate, or if such certificate shall not so provide, then by the consent of the holders of two-thirds ( $\frac{2}{3}$ ) of each class of shares then outstanding given at a meeting called for that purpose in such manner as shall be prescribed by the by-laws. Shares so issued are fully paid and non-assessable and the holder thereof is not liable to the corporation or its creditors in respect thereof.

## **Some of the Other Specific Statutory Powers.**

### **To Do Business and Own Property In Other States.**

The corporation may conduct business in other states, territories or possessions of the United States, or in foreign countries, and have one or more offices out of the state, and may hold, purchase, mortgage and convey real estate and personal property out of the state.

### **To Hold and Dispose of Stock, Bonds, etc., of Other Corporations.**

The corporation may purchase, hold, sell, assign, transfer, mortgage, pledge or otherwise dispose of the shares of the capital stock of, or any bonds, securities or evidences of indebtedness created by any other corporation or corporations of Maine or any other state, territory or country, and while owners of such stock may exercise all the rights, powers and privileges of ownership, including the right to vote thereon.

### **Sale of Assets.**

A corporation may sell, lease, consolidate or otherwise part with its entire property including its franchise, upon consent of its stockholders at an annual or special meeting, the call for which shall give notice of the proposed sale, lease, or consolidation. The statute provides for valuation and purchase of the shares of a dissenting stockholder.

### **Bonds.**

There are no statutory restrictions or limitations with respect to the creation of bonded or other indebtedness.

## **BY-LAWS.**

The by-laws must be consistent with the laws of the state and the charter of the corporation.

Corporations may among other provisions, determine by their by-laws, the manner of calling and conducting meetings; the number of members that constitute a quorum; the number of votes to be given by shareholders; by whom any and all officers, except president and directors, shall be elected; by whom vacancies in the board of directors or other offices may be filled; the tenure of the several offices, the mode of voting by proxy; and of selling shares for neglect to pay assessments; and may enforce such by-laws by penalties not exceeding twenty

dollars. By-laws may also define the powers of committees through which directors may act.

By-laws are usually adopted at the first meeting of associates. The power to make and alter by-laws is in the stockholders.

## **STOCKHOLDERS.**

The directors must be elected by the stockholders.

The voting rights of stockholders are as prescribed by the by-laws.

Stockholders may vote at any meeting by proxy. A proxy cannot be voted upon if granted more than thirty days prior to the meeting named therein, and is not valid after final adjournment, but a stockholder may be represented by a general power of attorney produced at the meeting until it is revoked.

### **Stockholders Meetings.**

All meetings of stockholders must be held within the State.

The by-laws should provide for an annual meeting of stockholders for the election of directors.

Special meetings may be held, at such times and in such manner as may be provided in the by-laws.

No statutory provision is made for publishing notice of stockholders meetings.

The by-laws should provide the manner of calling meetings and the number of days' notice to be given.

## **DIRECTORS.**

There must be at least three directors.

Each director must be the holder of at least one share of stock except that a member of another corporation, which owns stock and has a right to vote thereon, may be a director.

None of the directors need be a resident of the State of Maine.

Meetings of the directors may be held at any place within or without the State of Maine.

Directors may be divided into classes and may be elected for more than one year if the by-laws so provide.

The directors have the general management and direction of the business of the corporation and have the power to elect the officers and such other agents and employees as they deem best.

#### **Committees of Directors.**

By so providing, in the by-laws, an executive committee or any other committees may be appointed with such powers as the by-laws define.

#### **OFFICERS.**

A corporation must have a president, clerk and treasurer and may have any other desirable officers.

#### **Qualifications.**

The president must be chosen from the directors.

The clerk must be a resident of Maine and must be sworn to the faithful discharge of his duties.

The treasurer is required to give a bond and is the custodian of the funds of the company.

#### **OFFICES.**

##### **In Maine.**

The corporation is required to maintain a clerk's office at some fixed place within the State of Maine where the records of the stockholders and a complete list of all stockholders, their residences and the amount of stock held by each must be kept.

##### **Out of Maine.**

The corporation may have such offices without the State of Maine as are provided for in the by-laws or by resolution of the board of directors.

#### **Amendments.**

A certificate of organization may be amended only as specifically set forth in the statute; namely, change of name, increase or

decrease of capital stock, increase or decrease of number of directors and change of par value of shares. These changes must be made at a stockholders' meeting, held upon notice fully setting forth the proposed change, and given as required by the by-laws, and within ten days thereafter the clerk of the corporation shall file with the secretary of state a certificate setting forth the action taken at the meeting. The statutory fee for filing a certificate of any change is \$5.00.

A corporation with non-par value shares may amend its certificate of incorporation so as to increase or to reduce the number of shares it may issue, or so as to increase or reduce the amount of its stated capital, by filing, in the secretary of state's office a certificate of amendment, authorized by a majority of the directors and by the holders of at least three-fifths of the outstanding shares of each class of stock issued, at a meeting called for the purpose. In case of reduction of the amount of capital stock of a non-par value company a certificate setting forth the whole amount of the ascertained debts and liabilities (endorsed with the approval of the attorney general) must be filed with the certificate of amendment (see Sec. 117, p. 13).

Change of name is effected by the same procedure as the amendment of a certificate of incorporation outlined above. The statute makes no provision under which a change of purposes may be made.

## DISSOLUTION.

Whenever at any meeting of its stockholders, legally called therefor, such stockholders may vote to dissolve such corporation, a bill in equity against the company for dissolution thereof, may be filed by any officer or stockholder in the Supreme Judicial Court, and upon proof that there are no existing liabilities and no existing assets requiring distribution, the Court may dissolve the corporation without the appointment of trustees or receivers. There is no provision in the Maine law for dissolution except by judicial proceedings.

## ANNUAL REQUIREMENTS.

### Reports.

An annual report must be filed on or before the first day of June, setting forth the name and residence of the president, treasurer, directors and clerk, the location of its principal office and the amount of its authorized capital stock.

### **Annual Franchise Tax.**

This tax (see p. 7) is due on September 1st, of each year.

### **FOREIGN CORPORATIONS.**

#### **Obtaining of License to do Business.**

Foreign corporations, other than banks, trust, surety, safe deposit, insurance or public service companies are required, before doing business in Maine, to file with the secretary of state a power of attorney appointing some resident of the State as agent for service of process, a copy of vote authorizing such appointment duly authenticated and certified, a certified copy of their articles of incorporation and a copy of their by-laws, and a certificate setting forth certain particulars required by the law, and to pay to the secretary of state two fees of ten dollars each. They are also required to pay an annual license fee of ten dollars and to file an annual report, showing what changes, if any, have been made in name, location of principal office, officers or directors, date of annual meeting, or in capital stock, number and par value of shares and amount paid thereon, since the filing of the last report, and to pay a fee of ten dollars upon the filing of the report. If there are no changes a certificate to that effect takes the place of the report.

Foreign corporations failing to comply with these requirements are estopped from bringing or maintaining suits in the State and every officer of such corporation is subject to a fine of not more than five hundred dollars.

## WHAT THE CORPORATION TRUST COMPANY DOES IN MAINE.

It assists members of the bar, and members of the bar only, in handling the various details incident to the organization of a corporation including;

It furnishes the attorney for use as a guide skeleton forms of articles of association, by-laws, minutes for meeting of associates and certificate of organization also, if desired, copies of certificates of organization which have been approved;

If desired, it drafts and furnishes to the attorney proposed articles of association, by-laws, certificate of organization and minutes for organization meetings;

It ascertains whether or not the corporate name desired is available for use;

It calls to the attention of the attorney any features of the certificates of organization that are likely to meet with disapproval of the Attorney General. (It has submitted hundreds of certificates of organization to the Attorney General for approval and consequently has a fund of information as to what will and what will not be approved. This information is especially valuable to attorneys who are obliged to complete an organization within a minimum of time);

It submits certificate of organization to Attorney General and obtains his approval of same;

It attends to filing and recording the certificate of organization and obtaining certified copy of same;

It furnishes the statutory clerk's office and clerk in the State of Maine, who keeps the record book and the stock ledger in the form required by law;

It furnishes an office in Maine, where meetings of associates and stockholders may be held;

It sends to the attorney a timely reminder of the date when the annual report should be made and of the date when the annual franchise tax should be paid.



It furnishes various other facilities, all of which tend to expedite the handling of the details involved in completing an organization.

It has in all of its offices files containing valuable precedents of all kinds relating to Maine corporations, which are open for examination and use by members of the bar exclusively.

The Corporation Trust Company's system is not new and untried. For twenty-five years it has assisted members of the bar in the organization of corporations and in the qualifying of corporations to carry on business in other states and countries. In these matters it deals exclusively with members of the bar—it will not undertake any such work for laymen.

## SUGGESTED FORMS FOR THE USE OF ATTORNEYS.

For the convenience of members of the bar in preparing certificates of incorporation and by-laws we are giving in skeleton form a certificate of organization and by-laws. Upon application The Corporation Trust Company will be glad to furnish any lawyer with a complete set, including the organization minutes, much more ample in their provisions, and if the particular kind of business which the corporation is to carry on is indicated, it will submit object clauses of similar corporations which have been accepted by the attorney general and which can be used as a guide in the preparation of the purposes of the particular company.

### STATE OF MAINE.

#### Certificate of Organization of a Corporation Under the General Law.

The Undersigned, officers of a corporation organized at Portland, in the State of Maine, at a meeting of the signers of the articles of agreement therefor, duly called and held at the office of The Corporation Trust Company, in the City of Portland, on the \_\_\_\_\_ day of \_\_\_\_\_, A. D. 191\_\_\_\_, hereby certify as follows:

The name of said corporation is \_\_\_\_\_

The purposes of said corporation are \_\_\_\_\_

The number of shares of stock is \_\_\_\_\_

The number of shares of the common stock is \_\_\_\_\_

The number of shares of preferred stock is \_\_\_\_\_, and the preferences thereof are as follows:

The amount of capital with which this corporation will carry on business is \_\_\_\_\_

The par value of the preferred shares is \_\_\_\_\_

The par value of the common shares having a stated par value is \_\_\_\_\_

The shares having no stated par value may be issued and sold for such consideration as the Board of Directors may fix.

The names and residences of the owners of said shares are as follows:

| NAMES. | RESIDENCES | NO. OF SHARES. |            |
|--------|------------|----------------|------------|
|        |            | COMMON.        | PREFERRED. |

Said corporation is located at Portland, in the County of Cumberland.  
The number of Directors is \_\_\_\_\_ and their names are \_\_\_\_\_

The name of the Clerk is \_\_\_\_\_ and his residence is \_\_\_\_\_  
Portland, Maine.

The undersigned, \_\_\_\_\_ is President;  
The undersigned, \_\_\_\_\_ is Treasurer;

.....President.  
 .....Treasurer.

}  
 }  
 } Directors.  
 }

$$\left. \begin{array}{l} \text{---} \\ \text{---} \\ \text{---} \end{array} \right\} \text{ss.:}$$

**Justice of the Peace.**

## **BY - L A W S .**

### **Title, Location.**

1. The title of this corporation is
2. The principal office in Maine shall be and be registered with The Corporation Trust Company, Portland, Cumberland County, Maine.  
The corporation may also have an office at such other places as the board of directors may appoint.

### **Seal.**

3. The corporate seal shall have inscribed thereon the name of the corporation, and the words "Corporate Seal, 191     ; Maine."

### **Meetings of Stockholders.**

4. All meetings of the stockholders must be held within the State of Maine and at the principal office of the corporation in Portland.

5. The annual meeting of the stockholders for the election of a board of directors, a clerk and the transaction of such other business as may properly come before the meeting, for the year 191     , shall be held on the     day of     at     o'clock     M., and after the year 191     , shall be held on the     day of     , in each year, and if a legal holiday, then on the next secular day following, at     o'clock     M.

6. Notice of the annual meeting shall be mailed to each stockholder at least     days prior to the meeting.

7. The holders of a majority of the stock issued and outstanding, present in person, or represented by proxy, shall constitute a quorum at all meetings of the stockholders. If, however, a quorum shall not be present at any meeting of the stockholders, the stockholders present in person, or by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until the requisite amount of stock shall be present.

8. Each stockholder of record shall be entitled to cast one vote for each share of stock standing in the name of such stockholder at any election or on any subject before any meeting of the stockholders, and such votes may be cast either in person or by written proxy, granted not more than thirty days before the meeting, which shall be named therein, and they shall not be valid after a final adjournment thereof.

9. Special meetings of the stockholders may be called by the President, and shall be called by the President or Secretary at the request in writing of a majority of the board of directors, or at the request in writing by stockholders owning a majority of the entire capital stock issued and outstanding.

10. Written notice of a special meeting of stockholders shall be mailed, postage prepaid, at least \_\_\_\_\_ days before such meeting, to each stockholder.

### **Directors.**

11. The property and business of the corporation shall be managed by a Board of Directors \_\_\_\_\_ in number who shall be chosen from the stockholders annually and shall hold office until others are chosen and qualified in their stead. The directors may hold their meetings within or without the State of Maine. They may exercise all such powers and do all such things as may be exercised or done by the corporation.

### **Meetings of the Directors.**

12. Regular meetings of the board may be held without notice at such time and place as shall be determined by the board.

13. At all meetings of the board the presence of a majority of the directors shall be necessary to constitute a quorum for the transaction of business.

14. Special meetings of the board may be called by the president on \_\_\_\_\_ days' notice to each director, and shall be called by the President or Secretary on like notice on the written request of two directors.

### **Officers.**

15. The officers of the corporation shall be a President, Vice-President, Secretary, Treasurer and Clerk. Any two of the aforesaid offices may be filled by the same person.

16. The board of directors, immediately after each annual meeting of stockholders, shall elect by ballot a President and Vice-President from their own number, and the board shall also annually choose a Secretary and a Treasurer who need not be members of the board.

17. The board may appoint such other officers and agents as it shall deem necessary, who shall have such authority and shall perform such duties as shall be prescribed by the board.

18. The officers of the corporation shall hold office for one year and until their successors are chosen and qualify. Any officer elected or appointed by the board of directors may be removed at any time by the affirmative vote of a majority of the whole board.

### **President.**

19. The President shall be the chief executive officer and head of the corporation, and shall have the general control and management of its business and affairs.

### **Vice-President.**

20. The Vice-President, in the absence or disability of the President, may exercise the powers of the President, and shall perform such other duties as shall be imposed upon him by the board.

### **Secretary.**

21. The Secretary shall be ex-officio clerk of the board of directors; he shall attend all sessions of the board and act as clerk thereof, and record the minutes of all proceedings in a book to be kept for that purpose. He shall cause to be given, notice of all meetings of the stockholders and of the board of directors and shall perform such other duties as may be prescribed by the board. He shall keep in safe custody the seal of the corporation and when authorized by the board of directors, affix the seal to any instrument requiring it. He shall be sworn to the faithful discharge of his duty.

### **Treasurer.**

22. The Treasurer shall have the custody of all the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation.

23. He shall disburse the funds of the corporation as may be ordered by the board, taking proper vouchers for such disbursements, and shall render to the President and directors, whenever they may require it, an account of all his transactions as treasurer and of the financial condition of the corporation.

24. He shall give the corporation a bond in a sum, and with one or more sureties satisfactory to the board of directors, for the faithful performance of the duties of his office.

25. The Treasurer shall cause to be filed, at least ten days before each annual meeting of the stockholders with the clerk of the corporation, a true and complete list of the stockholders, showing their names, addresses and the number of shares held by each.

### **Clerk.**

26. The Clerk shall be a resident of the State of Maine, and shall keep at the principal office of the corporation, at Portland, the records of this corporation and a book showing a true and complete list of all stockholders, their residences and the amount of stock held by each. He shall act as the agent of this corporation in the State of Maine, upon whom process against this corporation may be served.

### **Vacancies.**

27. If the office of any director or other officer or agent, one or more, becomes vacant for any reason, the remaining directors, by a majority vote of those in office, may choose a successor or successors.

### **Duties of Officers May Be Delegated.**

28. In case of the absence of any officer or for any reason that the board may deem sufficient, the board may delegate the powers or duties of such officer to any other officer, or to any director, PROVIDED a majority of the entire board concur therein.

### **Shares.**

29. The capital stock of the corporation shall be divided into shares of the par value of dollars each.

(Insert preferences and appropriate language for shares without par value.)

### **Certificates of Stock.**

30. The certificates of stock of the corporation shall be numbered and registered as they are issued. They shall exhibit the holder's name and the number of shares and shall be signed by the President or Vice-President and by the Cashier, Secretary, Clerk or Treasurer or Assistant Treasurer, and shall have the corporate seal affixed.

### **Transfers of Stock.**

31. Transfers of stock shall be made on the books of the corporation only by the person named in the certificate or by attorney, lawfully constituted in writing, and upon surrender of such certificate.

32. The board of directors may close the transfer books in their discretion for a period not exceeding thirty days preceding any meeting, annual or special, of the stockholders, or the day appointed for the payment of a dividend.

### **Dividends.**

33. The directors may declare dividends out of the profits of the corporation at such times and in such amounts as the board of directors may from time to time designate.

34. Before any payment of any dividend or making any distribution of profits, there may be set aside out of the net profits of the corporation such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve fund to meet contingencies, or for such other purpose as the directors shall think conducive to the interests of the corporation.

### **Checks, Drafts and Notes.**

35. All checks, drafts or orders for the payment of money and all notes and acceptances, shall be signed by such officer or officers as the board of directors may designate.

### **Notices.**

37. Whenever under the provisions of these by-laws notice is required to be given to any director, officer or stockholder, it shall not

be construed to mean personal notice, but such notice may be given in writing by depositing the same in a post office or letter box, in a post paid, sealed wrapper, addressed to such stockholder, officer or director at such address as appears on the books of the corporation, and such notice shall be deemed to be given at the time when the same shall be thus mailed.

38. Any stockholder, director or officer may waive any notice required to be given under these by-laws.

### **Amendments.**

39. The stockholders, by a vote of a majority of the stock issued and outstanding, may upon notice at any regular, or at any special meeting called for that purpose, alter or amend these by-laws.



## WHAT THE CORPORATION TRUST COMPANY DOES IN GENERAL.

That attorneys may know to what extent they may call upon The Corporation Trust Company for assistance, an outline is given of the departments and services which this Company maintains and renders.

### Domestic Corporation Department.

Furnishes attorneys upon request a synopsis of the corporation laws, an estimate of the cost of organizing and annual taxation.

Drafts, as an assistance to attorneys only and subject to their approval, the papers incidental to the organization and attends to the filing of them for the incorporation of companies in any state, territory or possession of the United States and in Canada and England. Subsequent to organization, maintains the office required by statute and furnishes the office, resident agent, officer or director that may be necessary to keep the corporation in good standing and to avoid a possible forfeiture of the charter. Gives the attorney notice of every state report that must be filed and tax which must be paid. Delivers to attorney all papers served upon the resident office, officer or director, giving telegraphic advice when necessary.

### Foreign Corporation Department.

Furnishes attorneys upon request a synopsis of the foreign corporation laws, an estimate of the cost of qualifying and annual taxation.

Drafts for approval and submits to attorneys only, papers for qualification and attends to the filing of all documents required to enable a corporation to obtain permission to transact business in any state, territory or possession of the United States, and in Canada or England. Furnishes the agent, statutory office or other representation required in order to comply with the particular state statute and avoid the forfeiture of the right to do business. Notifies the attorney of all state reports that must be filed and taxes that must be paid to keep the license valid. Forwards to the attorney all reports, tax blanks, process or other

documents which may be served upon the local agent, giving telegraphic advice when necessary.

#### **Report and Tax Department.**

Maintained for the purpose of notifying attorneys of every state report that must be made and state taxes that must be paid to keep a corporation, either as a domestic or foreign corporation, in good standing.

#### **Transfer Department.**

Maintains in Jersey City, Chicago and Philadelphia, a thoroughly equipped department for the transfer and registration of stock and other corporate securities. A special pamphlet is being prepared covering this service and will be sent to anyone interested.

#### **Legislative Department.**

Furnishes prompt and accurate reports on all subjects of legislation introduced or enacted in Congress and all state legislatures and of the daily action thereon. Furnishes copies of bills as introduced, amended and enacted into law. Furnishes reports on direct legislation including advice of the invocation of the Referendum, the filing of initiative petitions, reports on all Constitutional amendments in all states and results of elections thereon.

#### **Federal Department.**

Maintains an office in Washington for the purpose of assisting attorneys in obtaining information and copies of documents from any of the departments. Furnishes agent for common carriers to accept service of orders, process, etc., of the Interstate Commerce Commission.

#### **Income Tax Service.**

Is an indexed compilation of the Income Tax Law and all formal regulations now in force, issued since 1913, many informal rulings on perplexing points, Supreme Court decisions and lower court cases, in a loose leaf binder kept always up to date by means of sequentially numbered printed pages sent to subscribers under first class postage.

#### **War Tax Service.**

Is an indexed continuing service kept always up to date by means of sequentially numbered printed pages sent to subscribers

under first class postage covering the law, formal regulations, informal rulings, court cases, etc., governing the following taxes, each being a distinct unit within the one binder: Federal Estate Tax, Munion Manufacturer's Tax, Excise or Capital Stock Tax, Excess Profits Tax and Special Taxes on Occupations. Other units will be added to this Service when the War Revenue bill of 1917 becomes Law.

#### **Federal Trade Commission Service.**

A loose leaf binder containing the Federal Trade Commission Act, the Clayton Anti-Trust Act and allied acts, fully indexed, conference rulings of the Federal Trade Commission, complaints, findings, rulings, etc., issued by that body, is kept up to date at all times by means of sequentially numbered printed pages sent to subscribers under first class postage. Special reports of the Federal Trade Commission are supplied to subscribers to the Service, on request.

#### **Federal Reserve Act Service.**

Is a fully indexed compilation of the Federal Reserve Act, and the formal regulations, informal rulings, opinions and decisions on the law issued by the Federal Reserve Board and its Counsel since the passage of the Act in 1913, in a loose leaf limp leather binder kept up to date at all times by means of sequentially numbered printed pages sent to subscribers under first class postage.

#### **Supreme Court Service.**

Reports decisions of the United States Supreme Court in advance of the time in which they can be obtained from the advance sheets.



# EVERY MAINE CORPORATION

as well as any other foreign corporation, must obtain proper authority to do business in each state into which it will extend its operations.

## THE PENALTY

for failure to obtain such authority is generally severe—often disastrous. It may disable the corporation from enforcing its contracts in the courts; may subject it to heavy money penalties, or may make its officers or agents personally liable on contracts.

## THE PROCEDURE

to obtain authority differs in every state. Send us the names of the states in which your clients propose to operate as a corporation and we will give you information in detail regarding requirements and taxes.

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### The Corporation Trust Company

System-Organized 1892

New York, 37 Wall Street

Chicago, 112 W. Adams Street

Pittsburgh, 1202 Oliver Bldg.

Philadelphia, 1428 Land Title Bldg.

Albany, 158 State Street

Washington, D. C., 501 Colorado Bldg.

Jersey City, 15 Exchange Place

Portland, Me., 281 St. John Street

St. Louis, Federal Reserve Bank Bldg.

Corporation Registration Company

Boston, 511 Exchange Bldg.

Corporation Trust Company of America

Wilmington, 486 duPont Bldg.

# **ADVANTAGES**

## **UNDER THE MAINE CORPORATION LAW**

**Shares may be issued with or without par value.**

**Low initial cost and low annual franchise tax.**

**Simple procedure for organization.**

**Any purpose excepting banking and insurance may be obtained under the General Law.**

**Directors' meetings may be held without the state.**

**Resident director not required.**

**Disclosure of financial affairs not required in reports.**

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**We assist attorneys in the organization of corporations by supplying drafts of charters, by-laws and minutes, by holding incorporators' meetings, by attending to the filing of papers, the payment of fees and all other details connected therewith. After organization we furnish the statutory clerk's office and clerk in the state, who keeps the record book and the stock ledger in the form required by law. Our Service includes notification to the attorney of all reports, state taxes and other matters to be attended to in order to keep the corporation in good standing in the state.**

**The Corporation Trust Company of Maine**

**281 St. John Street, Portland, Maine**

**is a part of The Corporation Trust Company System.**

**For further information regarding the law and forms address our nearest office. See front cover for addresses.**